

## Message Text

SECRET

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70-61

ORIGIN NEA-06

INFO OCT-01 SS-14 ISO-00 EB-03 CCO-00 SSO-00 RSC-01 /025 R

DRAFTED BY NEA:LBLAINGEN:HME

APPROVED BY NEA:SSOBER

T:RWRIGHT

NEA/ARP:FDICKMAN

EB/ORF/FSE:GMBENNSKY

S/S-WHLUERS

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O 070023Z MAY 74 ZFF4

FM SECSTATE WASHDC

TO AMCONSUL JERUSALEM IMMEDIATE

S E C R E T STATE 093223

LIMDIS, TOSEC 325

E.O. 11652: GDS

TAGS: ENRG, IN

SUBJECT: INDIAN OIL IMPORTS FROM SAUDI ARABIA

S/S FOR ATHERTON FROM SOBER

1. I WANT TO REMIND YOU OF THE SECRETARY'S CONVERSATION WITH SWARAN SINGH IN NEW YORK ON APRIL 15 AND THE SECRETARY'S PROMISE TO TALK TO THE SAUDIS ABOUT INDIA'S NEED FOR HELP IN MEETING THE COSTS OF OIL IMPORTS. THIS FOLLOWED SINGH'S "OFF THE RECORD" COMMENTS TO THE SECRETARY ABOUT INDIAN APPROACHES TO THE IRANIANS AND THE IRAQIS TO HELP INDIA MEET INCREASED OIL IMPORT COSTS AND THEIR DESIRE ALSO TO APPROACH THE SAUDIS. SWARAN SINGH SAID IT WOULD BE HELPFUL IF SOMEONE COULD HELP PAVE THE WAY ON THIS WITH THE SAUDIS.

2. FOR YOUR INFORMATION WE UNDERSTAND INDIANS WORKED OUT DEFERRED PAYMENT ARRANGEMENTS WITH BOTH IRAN AND IRAQ FOR FAIRLY SIZEABLE CRUDE IMPORTS FROM THESE COUNTRIES IN CALENDAR 1974. WE DO NOT HAVE FULL DETAILS ON ARRANGEMENTS

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BUT UNDERSTAND THAT UNDER BOTH AGREEMENTS, INDIA WOULD TAKE

DELIVERY OF SPECIFIED QUANTITIES OF CRUDE ON A POSTED  
PRICE-FORMULATED DOWN PAYMENT BASIS INITIALLY: (DOLS 3.50/  
BARREL IN CASE IRAN; APPARENTLY DOLS 5.86/BARREL IN CASE  
IRAQ). HIS WOULD BE FOLLOWED NEXT BY A FIVE-YEAR  
MORATORIUM AND THEN FULL PAYBACK (PARTLY IN COMMODITIES) OF

REMAINDER BASED ON POSTED PRICE FOR IRAN (LIGHT CRUDE)  
OF DOLS 11.87 PER BARREL AND IRAQ (BASRA) DOLS 11.67  
PER BARREL OVER THE ENSUING FIVE-YEAR PERIOD AT 2.5  
PERCENT INTEREST. RUSH

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NNN

## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Disposition Authority:** GarlanWA  
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**Disposition Comment:** 25 YEAR REVIEW  
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